



DEFENSE LOGISTICS AGENCY
THE DEFENSE CONTRACT MANAGEMENT COMMAND
8725 JOHN J. KINGMAN ROAD, SUITE 2533
FT. BELVOIR, VIRGINIA 22060-6221

IN REPLY
REFER TO AQO

July 9, 1997

**MEMORANDUM FOR COMMANDERS, DEFENSE CONTRACT MANAGEMENT
DISTRICTS**

**SUBJECT: DCMC Memorandum No. 97-020 Management Councils - Setting the Agenda
(INFORMATION)**

This is an INFORMATION memorandum. Target Audience: Commanders, Contract Administration Offices.

Attached is a memo that Major General Robert W. Drewes, USAF, recently sent to our customers. It re-emphasizes that Management Councils exist solely to work items and issues important to our customers. As agenda items are proposed for your Management Councils, they need to pass this important litmus test - is the issue important to the customer and how will they benefit from this action?

If you have any questions, please contact Mr. Robert W. Schmitt, Deputy Executive Director, Contract Management Policy at (703) 767-2412 or DSN 427-2412, internet address: robert_schmitt@hq.dla.mil.


JILL E. PETTIBONE
Executive Director
Contract Management Policy

Attachment

cc:
AQI



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JUL 03 1997

MEMORANDUM FOR DISTRIBUTION

SUBJECT: Management Councils - Meeting Your Agenda

Over the past few months, I have pushed all the DCMC offices to work toward having robust Management Councils. Management Councils are senior representatives from DCMC, the Defense Contract Audit Agency (DCAA), the contractor, and you. Management Councils exist for the same reason that you have Integrated Product Teams. Communication of ideas is a pacing factor in making things happen--time is wasted if all of the affected parties are not present to hear and discuss issues together. I want DCMC to help you make things happen.

Although commonly thought of as forums for Single Process Initiative (SPI), Management Councils exist to further the reform activities that are important to any of the stakeholders. Over the past few months, my staff and I have provided the DCMC offices a variety of issues that might be raised at Management Councils, such as settling overhead issues, resolving competing schedule requirements, reducing duplicate audits and reviews, and promoting parametric cost estimating techniques. But the most important consideration is what you find as important. The Management Council is there to serve your agenda.

A little history. When DCMC was formed in the early 1990s, we realized that this new Contract Administration Services (CAS) organization needed a new value-added approach to providing support. The new approach became Process Oriented Contract Administration Services (PROCAS) where we teamed with DCAA and contractors to improve contractor processes and thus reduce acquisition costs and cycle times. The primary purpose was to provide savings to you.

In late 1994, DCMC and DCAA organized 10 reinvention laboratories for the reduction of contractor oversight. These labs were tasked to go beyond process improvement and look for fundamental changes in the acquisition process. We knew we could not do this without including the primary stakeholder--you. Hence was born the Management Council: senior representatives from DCMC, DCAA, the contractor, and you.

Based on this positive experience, when the SPI policy was being developed, the Management Council concept became the centerpiece for facilitating the necessary understanding of proposals and efficiently securing the necessary approvals so that you could see benefits sooner. Therefore, when SPI began, I directed DCMC field commanders to establish Management Councils at all of the major DoD contractors as well as others where it seemed appropriate.



As SPI has progressed and matured, we began to see Management Councils working on all manner of issues that are important to you. The momentum created by a Management Council that clicks is virtually unstoppable. Hence last fall I directed all DCMC offices to establish Management Councils. We want unstoppable change agents throughout our organizations.

Management Councils are there to carry your agenda. DCMC has no agenda other than to provide you the best CAS support and to help you have affordable programs. We elicit your continued support in being the key link in the Councils. Together we have been making, and can continue to make, a difference.



ROBERT W. DREWES
Major General, USAF
Commander

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